

FISCAL NOTE
Requested by Legislative Council
03/24/2011

Amendment to: Engrossed
HB 1245

1A. State fiscal effect: *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2009-2011 Biennium		2011-2013 Biennium		2013-2015 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues			(\$948,000)	(\$82,000)		
Expenditures						
Appropriations						

1B. County, city, and school district fiscal effect: *Identify the fiscal effect on the appropriate political subdivision.*

2009-2011 Biennium			2011-2013 Biennium			2013-2015 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2A. Bill and fiscal impact summary: *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

Engrossed HB 1245 with Senate Amendments changes the state and local sales tax exemption for the rental of hotel rooms from 30 to 90 or more consecutive days. The bill also creates a sales tax exemption for sales made by nonprofit thrift stores.

B. Fiscal impact sections: *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

Sections 1, 2, and 3 of Engrossed HB 1245 with Senate Amendments changes from 30 to 90 days the exemption from state sales tax, city lodging tax, and city restaurant and lodging tax purposes for long-term rental of hotel rooms. The bill also removes the requirement that the same person must stay in the room to qualify for the exemption.

If enacted, this change to the long-term hotel room rental exemption to 90 or more days will increase state and local revenues, by an amount that cannot be determined. The expansion of the exemption to allow for different people within the 90 consecutive days may result in a decrease in state general fund and state aid distribution fund revenues, by an amount that also cannot be determined.

Section 4 of the bill creates a sales tax exemption for nonprofit thrift stores. If enacted, this exemption is expected to reduce state general fund and state aid distribution fund revenues by an estimated \$1.030 million during the 2011-13 biennium as shown above.

3. State fiscal effect detail: *For information shown under state fiscal effect in 1A, please:*

A. Revenues: *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

B. Expenditures: *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

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